

FISCAL NOTE

HB 293 - SB 364

March 7, 2001

SUMMARY OF BILL: Provides that an individual's weekly benefit amount will be based on the wages the claimant earned in the highest quarter of the claimant's base salary. Eliminates the requirement that a claimant must have 40 times his weekly benefit amount in his base period to be eligible for benefits. Provides that this bill will apply to benefit years established on or after July 4, 2001.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact -

Increase Expenditures –Unemployment Insurance Trust Fund

\$2.2 Million - Calendar Year 2001

\$8.5 Million - Calendar Year 2002 and thereafter

Decrease Revenues – Unemployment Insurance Trust Fund

\$100,000 - Calendar Year 2001

\$400,000 - Calendar Year 2002 and thereafter

Increase Federal Expenditures - \$28,845 One-Time

Increase Local Govt. Expenditures - Exceeds \$100,000

Estimate assumes:

- Increased expenditures paid from the Unemployment Insurance Trust Fund will result from the increased benefits paid to claimants.
- A decrease in revenue from reduced interest earnings to the Tennessee Unemployment Insurance Trust Fund.
- A one-time increase in federal expenditures for automated system changes.
- Increased local government expenditures from an increase in the amount of potential benefits paid to former employees. Most local governments opt to reimburse the department for benefits as opposed to paying premiums.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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